

EVANSVILLE ENVIRONMENTAL PROTECTION AGENCY AIR CONTRACT EXPIRATION BRIEFING DECEMBER 5, 2008

The Indiana Department of Environmental Management (IDEM) is not renewing contracts with local air agencies and bringing IDEM-related permitting, compliance and monitoring activities in-house. This will bring air quality services under one roof, reduce duplication of government services and help ensure regulatory consistency for all 92 Indiana counties. This consolidation can be accomplished because IDEM has eliminated air enforcement and permitting backlogs and cut air permit writing times by 50%.

The current contract between IDEM and the Evansville Environmental Protection Agency (EEPA) began February 27, 2007 with an expiration date of December 31, 2008.

Under the current contract

- Four EEPA field staff share activities and workloads, including performing compliance inspections, responding to complaints, enforcing permit requirements and maintaining air monitors.
- EEPA inspects permitted, registered and exempt sources and resolves compliance issues through enforcement on behalf of IDEM.
- EEPA maintains the Evansville area ambient air monitoring network.
- EEPA processes open burning variance requests.
- EEPA is contracted to issue minor source permits, while IDEM is responsible for major source permits and reviewing EEPA permits. However, EEPA has not issued any air permits during the term of the existing contract, due to the local agency's "resource limitations".

Following contract expiration

- IDEM will ensure agency staffing levels are adequate to meet permitting, monitoring and compliance needs and that agency functions are performed.
- IDEM will conduct inspections out of its Southwest Regional Office. These functions can be handled with the addition of one staff member and by reassigning existing staff members.
- IDEM will handle enforcement activities through its Indianapolis office. Current staff levels at IDEM can handle these functions.
- IDEM will maintain the Evansville area air monitoring network at its current level out of its
 Southwest Regional Office. One additional staff member will be added to handle these functions.
- Open burning variances will be processed by IDEM in Indianapolis. Current staff levels at IDEM can handle these functions.
- All permits will be written, reviewed and issued by IDEM in Indianapolis. Current staff levels at IDEM can handle these functions.

Benefits of allowing the contracts to expire

- Air Quality functions of IDEM will be under one governmental agency, increasing the efficiency of environmental oversight and helping ensure regulatory consistency for all 92 Indiana counties.
- Government services will become more streamlined.

- IDEM will continue to partner with local governments, such as local environmental, law enforcement and health agencies, to ensure that residents continue to see air quality improvements and enjoy the best air quality possible.
- Each air contract required a funding match at the local level. Not renewing the contracts will eliminate this expense to local government.

Additional information

- <u>Air planning and outreach</u>: Air planning and outreach activities will still be conducted in the Evansville
 area and across the state with the support of IDEM, as it is currently. IDEM will continue to partner
 with any local entity that shares air quality goals and objectives with IDEM.
- IDEM's compliance and enforcement policy: IDEM's compliance policy is "assistance first, enforcement second." Facilities are inspected on a consistent basis across the state to meet U.S. EPA's compliance inspection requirements. If IDEM receives complaints, or if a source has a history of non-compliance, the facility may be inspected on a more frequent basis. IDEM consistently exceeds U.S. EPA compliance inspection requirements and regularly receives high marks from U.S. EPA during performance evaluations.

Compliance rates in Indiana remain about 95%. IDEM inspectors have always provided assistance to companies, and IDEM has an entire Compliance and Technical Assistance Program (CTAP) that provides confidential compliance assistance to any Indiana regulated entity.

• Attainment of federal air quality standards: Attainment of national ambient air quality standards has always been a sole responsibility of the state. Evansville is in compliance with the current PM2.5 standard for three consecutive years and is projected to attain the new 24-hour PM2.5 standard at the close of 2008. Evansville has attained the current 8-hour ozone standard for five consecutive years and modeling demonstrates that the area will achieve the new 8-hour standard when areas are designated in 2010. Local air pollution ordinances and activities are not eligible for inclusion in Indiana's State Implementation Plan.